

ASSEMBLY BILL

No. 218

Introduced by Assembly Member Maze

February 3, 2005

An act to add and repeal Section 17053.19 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 218, as introduced, Maze. Income tax credit: qualified medical care professionals.

The Personal Income Tax Law authorizes various credits against the taxes imposed by that law.

This bill would authorize a credit against the personal income taxes for each taxable year beginning on or after January 1, 2005, and before January 1, 2010, in an amount equal to either 35% of the amount received by a qualified medical care professional, as defined, for treating Medi-Cal beneficiaries in a qualified county, as defined, or 15% of the salary received by a qualified medical care professional as an employee in a qualified health center, as defined.

This bill would also require the Franchise Tax Board to report annually to the Legislature on the use of the credit.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17053.19 is added to the Revenue and
- 2 Taxation Code, to read:

1 17053.19. (a) For each taxable year beginning on or after
2 January 1, 2005, and before January 1, 2010, there shall be
3 allowed as a credit against the “net tax,” as defined in Section
4 17039, an amount equal to either the amount determined under
5 paragraph (1) or the amount determined under paragraph (2), as
6 elected under paragraph (3).

7 (1) The amount of the credit under this paragraph is 35 percent
8 of the amount received by the qualified medical care professional
9 for treating Medi-Cal beneficiaries in a qualified county.

10 (2) The amount of the credit under this paragraph is 15 percent
11 of the salary received by the qualified medical care professional
12 as an employee in a qualified health center that is operated in a
13 qualified county.

14 (3) Any taxpayer who is eligible for the credit under this
15 section shall make an irrevocable election for each taxable year
16 for which the credit is claimed with respect to the application of
17 either paragraph (1) or paragraph (2) to determine the amount of
18 the credit for that taxable year.

19 (b) For purposes of this section:

20 (1) “Medi-Cal” means the California Medical Assistance
21 Program created under the Medi-Cal Act set forth in Chapter 7
22 (commencing with Section 14000) of Part 3 of Division 9 of the
23 Welfare and Institutions Code.

24 (2) “Qualified county” means a county, within California, that
25 meets at least one of the following conditions:

26 (A) At least 25 percent of the population of the county was
27 Medi-Cal beneficiaries in the 2003 calendar year and the
28 unemployment rate was at least 14 percent in the county in the
29 2003 calendar year.

30 (B) The county’s population density was less than five persons
31 per square mile, as reported in the 2000 federal census.

32 (3) “Qualified medical care professional” means a physician or
33 surgeon who practices in orthopedics; general surgery;
34 neurosurgery; ear, nose, and throat; ophthalmology;
35 gastroenterology; cardiology; oncology; endocrinology;
36 pulmonology; or oral surgery in the state, and who meets either
37 of the following conditions:

38 (A) He or she is self-employed and treats Medi-Cal
39 beneficiaries on a fee-for-service basis in a qualified county.

1 (B) He or she is a salaried employee at a qualified health
2 center.

3 (4) “Physician or surgeon” means an individual who is
4 authorized to practice medicine or surgery pursuant to Chapter 5
5 (commencing with Section 2000) of Division 2 of the Business
6 and Professions Code, and who is licensed by the Medical Board
7 of California or the Osteopathic Medical Board.

8 (5) “Qualified health center” means a federally qualified
9 health center or a rural health clinic, as defined in Section 1395x
10 of Title 42 of the United States Code, that is operated in a
11 qualified county.

12 (c) In the case where the credit allowed by this section exceeds
13 the “net tax,” the excess may be carried over to reduce the “net
14 tax” in the following seven years.

15 (d) This section shall remain in effect only until January 1,
16 2011, and as of that date is repealed.

17 (e) The Franchise Tax Board shall report annually to the
18 Legislature on the use of the credit.

19 SEC. 2. This act provides for a tax levy within the meaning of
20 Article IV of the Constitution and shall go into immediate effect.